



Voluntary Buyout Program (VBP)

If there is a difference between this information and the Voluntary Buyout Program document, the program document will control.

Presentation Agenda



STATE OF TENNESSEE
Voluntary Buyout
Program

- The Voluntary Buyout Program (VBP)
- Eligibility
- VBP Benefits
- Key Dates
- Employee Resources
- Frequently Asked Questions

VBP Overview



STATE OF TENNESSEE
Voluntary Buyout
Program

- **The Voluntary Buyout Program (VBP)**
- Eligibility
- VBP Benefits
- Key Dates
- Employee Resources
- Frequently Asked Questions

VBP Overview



STATE OF TENNESSEE
Voluntary Buyout
Program

- The purpose of the VBP is to:
 - Assist the State-wide effort to reduce a \$468 million budget deficit
 - Save \$64 million each year by reducing approximately 2,000 positions
 - Reduce or eliminate the need for involuntary layoffs at a later date
 - Provide severance pay and benefits to eligible employees who voluntarily choose to leave

VBP Overview



STATE OF TENNESSEE
Voluntary Buyout
Program

- Agency heads identified certain positions within their agency which could be reduced with minimal impact on delivery of services to Tennesseans
- The buyout offer has been made to about 12,000 eligible employees to achieve the desired reduction of 2,000 positions
- **Eligible employees must submit an application on or before August 5, 2008**, to be considered for the voluntary buyout program

VBP Overview



STATE OF TENNESSEE
Voluntary Buyout
Program

- If there are more applicants in a classification in a designated unit than the program called for, agencies will accept employees within such designated unit **according to their seniority in state government**
- You will be notified by the Department of Human Resources on or about **August 11** whether or not your application has been accepted

Eligibility



STATE OF TENNESSEE
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Eligibility



STATE OF TENNESSEE
Voluntary Buyout
Program

- The VBP is only available to eligible employees in the Executive Branch. Eligible employees were sent a notification letter during the week of June 16, 2008
- Eligible employees are employed in the Executive Branch and have been designated by their appointing authority as being eligible to participate in the VBP

Eligibility



STATE OF TENNESSEE
Voluntary Buyout
Program

- To be eligible, an employee must also be either:
 - Actively employed in a full-time Career Service position; not be in an interim, seasonal or emergency appointment; and be past the probationary period that follows initial hire by the State; or
 - Actively employed in a full-time Executive Service position and have six or more years of service as of June 10, 2008.

Eligibility



STATE OF TENNESSEE
Voluntary Buyout
Program

- You are not eligible to participate in the VBP if:
 - You are not designated by your appointing authority as being eligible to participate in the VBP;
 - You submitted a resignation notice before June 10, 2008;
 - You submitted an effective notice of retirement before June 10, 2008;

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Eligibility



STATE OF TENNESSEE
Voluntary Buyout
Program

- You are not eligible to participate in the VBP if:
 - You are terminated for unacceptable performance or violation of one of the State's laws, rules or policies;
 - You accept any other position within the State through your voluntary separation date;
 - You leave employment with the State before your voluntary separation date; **or**
 - The VBP is terminated.

VBP Benefits



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VBP Benefits



STATE OF TENNESSEE
Voluntary Buyout
Program

- A lump sum separation payment of four months of base salary at the greater rate of pay in effect on June 2 or on your voluntary separation date
- \$500 for each year of State service (partial years are rounded up)
- Advanced payment of the FY2008-2009 longevity payment
- Payment of accrued, unused annual leave and compensatory time

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VBP Benefits



STATE OF TENNESSEE
Voluntary Buyout
Program

- Continuation of subsidized medical care coverage for the first six months of COBRA coverage, if you are eligible and should you elect to participate in COBRA. After that, participants will be responsible for the full COBRA premium for 12 additional months
- A one-time payment of \$2,400 to participants 65 years of age and older as of their voluntary separation date to assist in the transition to Medicare

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VBP Benefits



STATE OF TENNESSEE
Voluntary Buyout
Program

- Tuition assistance of up to \$10,800 (\$5,400 per year) at any TN Board of Regents or University of Tennessee entity
- The Department of Labor & Workforce Development will also make certain apprenticeship resources and adult education programs available at no cost to participants. Vouchers will be available to cover testing fees for those who qualify.
- The tuition assistance benefits begin Sept. 1, 2008 and may only be used for courses that begin on or before June 30, 2011

Sample Calculation



STATE OF TENNESSEE
Voluntary Buyout
Program

SAMPLE VBP PROJECTED CASH BENEFIT CALCULATION FOR:

John Q. Tennessee

Monthly Salary:	\$3,200	Base Salary Payment: (Monthly salary <i>times</i> 4)	\$12,800
Service Years:	16 yrs	Service Payment: (Rounded up <i>times</i> \$500)	\$8,000
Longevity Years:	16 yrs	Longevity Payment: (Advance for FY08-09)	\$1,600
		<u>If applicable:</u> Cash Payment to Assist Transition to Medicare:	\$2,400
TOTAL:			\$24,800

Key Dates



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Key Dates



STATE OF TENNESSEE Voluntary Buyout Program

Week of June 16, 2008:

- VBP packet mailed to eligible employees
- TCRS also mailed retirement information to retirement-eligible employees who are also eligible for the VBP

June 2008						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Week of June 23, 2008:

- Information sessions about the VBP begin around the state

Key Dates



STATE OF TENNESSEE
Voluntary Buyout
Program

Month of July

- Information sessions being held around the state continue in the first weeks of July

Holiday Weekend Note

- The VBP Call Center will be closed on July 4 and 5

July 2008						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Key Dates



STATE OF TENNESSEE Voluntary Buyout Program

August 5

- Eligible employees must submit application to participate, postmarked or hand-delivered to DOHR by 5 p.m. CDT
- Tuesday, August 5, is also the last day for eligible employees who submitted applications to revoke them
- Revocations must be postmarked by August 5th or hand-delivered to DOHR by 5 p.m. CDT

August 2008						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Key Dates



STATE OF TENNESSEE Voluntary Buyout Program

August 5

- If an eligible employee submits a timely application, it is accepted and the employee does not revoke it by August 5, that employee will be separated from the State regardless of whether the employee later changes his/her mind

August 2008						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Key Dates



STATE OF TENNESSEE Voluntary Buyout Program

On or about **August 11**

- Applicants notified about acceptance

August 15

- Voluntary Separation Date for most employees
- Participants return signed waiver and release agreements to their HRO

August 2008						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Key Dates



STATE OF TENNESSEE
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- Employees have seven days to revoke their signed waiver
- By revoking the waiver and release, an employee is giving up VBP benefits in order to preserve his or her right to bring legal claims against the State
- To be effective, the VBP Administrator must receive your revocation within seven days. There are four ways to ensure delivery of your revocation:
 - Hand delivery to DOHR, 1st Floor, Polk Building
 - Email to VBP.Administrator@state.tn.us
 - Facsimile to [615-741-7880](tel:615-741-7880)
 - U.S. mail actually received – not just postmarked – within 7 days
- Even if an employee revokes the waiver, the employee will be separated from service

Key Dates



STATE OF TENNESSEE
Voluntary Buyout
Program

Around September 15

- Payment of cash benefits to all participants who have signed, unrevoked waivers

September 2008						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Employee Resources



STATE OF TENNESSEE
Voluntary Buyout
Program

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- The Mailing
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- **Employee Resources**
- Frequently Asked Questions

Employee Resources



STATE OF TENNESSEE
Voluntary Buyout
Program

- VBP Web site

Go to www.tn.gov and click on the gold button

Voluntary Buyout Program
Information for State Employees

- VBP Call Center

- **(615) 253-9980** or toll-free **(866) 252-7954**
- Monday – Friday, 7 a.m.- 7 p.m. Central time
- Saturday, 9 a.m. – noon Central time

Employee Resources



STATE OF TENNESSEE
Voluntary Buyout
Program

- E-mailbox
 - Send your questions to the Department of Human Resources at:
Voluntary.Buyout@tn.gov

Employee Resources



STATE OF TENNESSEE
Voluntary Buyout
Program

- Career Centers

- Access services offered by the Department of Labor and Workforce Development's Career Centers across the state:

www.tennessee.gov/labor-wfd/cc

- Employee Assistance Program

- A confidential, professional counseling service for employees at no cost
- Call **1(800) 308-4934** any time of day
- Online at www.state.tn.us/finance/ins/eap/

Employee Resources



STATE OF TENNESSEE
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- Retirement Information
 - The Tennessee Consolidated Retirement System (TCRS) has numerous online tools, including Frequently Asked Questions and a retirement benefits calculator:
www.treasury.state.tn.us/tcrs/

Frequently Asked Questions



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Frequently Asked Questions

STATE OF TENNESSEE
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- **What happens if the VBP does not reach its goal of 2,000 employees?**
- If the voluntary program does not achieve the anticipated number of voluntary separations, the State may need to consider an involuntary reduction in force at a later date.

Frequently Asked Questions

STATE OF TENNESSEE
Voluntary Buyout
Program

- **Can I volunteer to participate in the VBP?**
- Only certain employees in the Executive Branch designated by their appointing authorities can participate in the program. All eligible employees were sent a notification letter on June 16, 2008.
- If you are eligible, you may voluntarily agree to participate in the VBP. If you are not eligible, you may not volunteer.

Frequently Asked Questions

STATE OF TENNESSEE
Voluntary Buyout
Program

- **How were the positions chosen to be eligible for the VBP?**
- In developing their plans, departments and agencies determined how many positions might be eliminated in job classifications in each agency or within certain of its divisions, business units, subdivisions, sub-business units and/or office locations (also called designated units).
- Eligible classifications vary between departments and agencies – and in each department or agency within certain business units and/or office locations – depending on service delivery needs.

Frequently Asked Questions

STATE OF TENNESSEE
Voluntary Buyout
Program

- **If I accept the buyout, can I be rehired by the State?**
- If you participate in the VBP, you cannot work for a period of **two years** from your voluntary separation date in any capacity for any Executive Branch entity that participated in the VBP. This includes retirees, who may not be appointed to 120-day temporary positions.
- Exceptions can be made only with the written approval of the Commissioners of DOHR and F&A, as well as the appointing authority of the Executive branch entity requesting to hire you.

Frequently Asked Questions

STATE OF TENNESSEE
Voluntary Buyout
Program

- **When will I receive the severance payments?**
- You will receive your severance payment within 31 days after signing and not revoking the Waiver and Release Agreement on your Voluntary Separation Date.
- The payments will be made by check, rather than by direct deposit.

Frequently Asked Questions

STATE OF TENNESSEE
Voluntary Buyout
Program

- **Can I get the tuition assistance as a cash payout?**
- No, the Tennessee Student Assistance Corporation (TSAC) will administer tuition assistance by reimbursing the institution or apprenticeship program directly.

Frequently Asked Questions

STATE OF TENNESSEE
Voluntary Buyout
Program

- **Can I use the tuition to pay for my spouse or children to go to school?**
- No, the tuition assistance benefit is non-transferable, so it can only be used by the VBP participant.

Frequently Asked Questions

STATE OF TENNESSEE
Voluntary Buyout
Program

- **To retain my cost-of-living adjustment for 2009, I need to retire by June 30, 2008. Can I retire before August 15 and still be eligible for the VBP? If so, how will this work if VBP decisions are not made until August?**
- While most voluntary separation dates under the VBP will be August 15th, if you are eligible for participation in the VBP, and are eligible to retire by June 30, 2008, you may opt to retire on any date up to August 15, including by June 30th. If you retire by June 30, you will not know whether you have been accepted into the VBP until on or about August 11th, like everyone else.

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Frequently Asked Questions

STATE OF TENNESSEE
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- If you are not accepted into the VBP, you will not receive the VBP benefits ***even though you already have retired.***
- Employees who wish to retire by June 30th to retain their cost of living adjustments need to understand that there is no guarantee that they will be accepted into the VBP. Thus, retirement-eligible employees must consider their options very carefully.